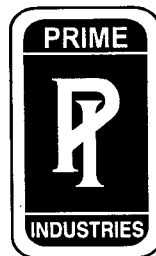


18th
Annual Report
2009 - 2010

A N N U A L R E P O R T



Prime Industries Limited



PRIME INDUSTRIES LIMITED

Annual Report 2009-10

BOARD OF DIRECTORS

MANAGING DIRECTOR

Mr. R. K. Singhania

DIRECTORS

Mr. Harjeet S. Arora

Mr. Ashwani Kumar

Mr. Darshanjit Singh Minocha

BANKERS

H.D.F.C. Bank,

Feroze Gandhi Market, Ludhiana.

Oriental Bank of Commerce

Feroze Gandhi Market, Ludhiana.

ING Vysia Bank Limited

Branch Gurdev Nagar, Ludhiana.

AUDITORS

Sukhminder Singh & Co.

Chartered Accountants

734, Phase II, Urban Estate,

Dugri Road, Ludhiana-141002.

REGISTERED OFFICE AND WORKS

Village Gobindgarh, Malout Road

Abohar (Punjab)

HEAD OFFICE

Master Chambers, 19, Feroze Gandhi Market

Ludhiana - 141 001.

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PRIME INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members

Your Directors are pleased to present the Company's 18th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2010.

1. FINANCIAL RESULTS :

The Financial Results for the period 1st April, 2009 to 31st March, 2010 are as under:

Particulars	(Rupees in lacs)	
	2009-10	2008-09
Operating & Other Income	33.40	447.61
Profit (Loss) before tax	0.10	(20.54)
Provision for Tax		
- Current	0.02	0.00
- Deferred Tax W/B	9.64	2.51
- FBT	0.00	0.82
Profit (Loss) after Tax (PAT)	9.72	(18.85)

2. MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review your Company has registered gross operating & other income Rs. 33.40 lacs as compared to Rs. 447.61 lacs in previous year. The main activity of the Company has been trading/investment in Securities/Derivatives during the year.

3. PROFITABILITY

The company has earned a net profit of Rs. 9.72 lacs during the year as compared to loss of Rs. 18.85 lacs of the previous year.

4. DIVIDEND

Keeping in view the results of operations, your Directors are unable to recommend dividend for the year under review.

5. DIRECTOR(S)

Mr. Amarjit Singh vacated the office as Director with effect from 29th Day of January, 2010. The Board of Directors places on record the appreciation for his contribution and guidance to the Board and to the Management.

In accordance with the provisions of the Articles of Association of the Company and of the Companies Act, 1956, Mr. Harjeet Singh Arora, Director of the Company is retiring by rotation at the forthcoming Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

6. ADEQUACY OF INTERNAL CONTROL

The Company has a proper and adequate system of internal control, to ensure that all assets are safeguarded, properly utilized and protected against loss from un-authorized use or disposition and those transactions are authorized & recorded by the concerned departments properly and reported to the Audit Committee/Board.

7. PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under and as such, no amount on account of principal or interest on Public Deposits was outstanding on the date of the Balance Sheet.

8. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance to the provisions of Section 217(2AA) of the Companies Act, 1956, we, the Directors confirm that:

- In the preparation of the accounts, the applicable accounting standards have been followed along with proper explanations and there are no material departures from the same.
- Appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of your Company for that period.



PRIME INDUSTRIES LIMITED

- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis except in respect of manufacturing activities which have been discontinued.

9. AUDITORS

The retiring Auditors, namely, M/s Sukhminder Singh & Co., Chartered Accountants, Ludhiana, hold office until the conclusion of forthcoming Annual General Meeting (AGM) and being eligible, seek their re-appointment. The Statutory Auditors have furnished a certificate to the effect that their re-appointment, if made, at the ensuing AGM, will be within the limits prescribed under sub-section (IB) of Section 224 of the Companies Act, 1956 and that they are not beneficially holding any security or interest in the Company as defined under Section 226(3) of the said Act. Members are requested to consider their re-appointment and authorize the Board of Directors to fix their remuneration for the year 2010-11. Your Directors' recommend their re-appointment.

10. AUDITORS' REPORT

The Auditors' Report on the Accounts of the Company for the period under review is self - explanatory and requires no comments.

11. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Report on Corporate Governance" has been included in this Annual Report. Your Director are pleased to report that your company fully adheres to the standards set out by the Securities & Exchange Board of India's Corporate Governance Practices and has implemented all of its stipulations. A certificate from the Company's Statutory Auditors in terms of Clause 49 of the Listing Agreement is annexed to and forms part of the Directors' Report. The CEO certificate duly signed forming part of the Corporate Governance Report, has been submitted to the Board. All Board Members have also affirmed compliance to the Code of Conduct.

12. HUMAN RESOURCE DEVELOPMENT

The Company always follows the policy of creating a healthy environment and work culture resulting into harmonious inter-personnel relations. The relations at all levels of the Company have remained very cordial throughout the year.

13. PARTICULARS OF EMPLOYEES

During the period under review, no employee received salary more than Rs. 24 lacs per annum or Rs.2.00 lacs per month. Accordingly no particulars of employees are being given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to conservation of energy, absorption, foreign exchange earnings and outgo pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable at present because there were no manufacturing activities in the Company during the year under review.

15. ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the support and cooperation of all Company's stakeholders and Associates for their continued and valuable co-operation and support to the Company from time to time

For and on behalf of the Board
FOR PRIME INDUSTRIES LIMITED

Sd/-

(R.K. Singhania)

Managing Director

Sd/-

(Harjeet S. Arora)

Director

Place : Ludhiana

Date : 28.08.2010



PRIME INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

In compliance of the Listing Agreement the Board of Directors furnishes its report on Corporate Governance as under:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to ensure fairness to the stakeholders, collective decision making and making full disclosures and observing business ethics in discharge of its corporate responsibilities.

2. BOARD OF DIRECTORS

The composition, attendance and other memberships of Committees of the Board of Directors of the Company is given below:

Name of the Director	Designation	Category	Attendance at last AGM attended	No. of Board Meetings Attended	No. of Directorship in Other Companies
Sh. R.K.Singhania	Managing Director	Executive	Yes	4	9
Sh. Harjeet Singh Arora	Director	Non Executive	Yes	4	14
Sh. Ashwani Kumar	Director	Independent	No	4	9
Sh. Darshanjit Singh Minocha	Director	Independent	Yes	3	Nil

The Board Meeting(s) were held on 30.04.2009, 30.07.2009, 31.10.2009, 31.12.2009, and 29.01.2010.

3. AUDIT COMMITTEE :

To ensure the independence of the Committee the three members Audit Committee was composed and comprised of non executive and independent directors viz. Sh. Harjeet Singh Arora, Sh. Darshanjit Singh Minocha and Sh. Ashwani Kumar.

Sh. Ashwani Kumar is the Chairman of the Audit Committee. Statutory Auditors, Head of Accounts Department are permanent invitees to the Committee Meetings. The Terms of Reference of the Audit Committee are as contained in Section 292A of the Companies Act, 1956 and also as contained in Corporate Governance clause of the Listing Agreement.

The Audit Committee met four times during the year on 30.04.2009, 30.07.2009, 31.10.2009 and 29.01.2010. The attendance of the members of the Committee is given below:

Name of Director	Category	No. of Meetings Attended
Sh. Harjeet Singh Arora	Non Executive Director	3
Sh. Ashwani Kumar	Independent Director	3
Sh. Darshanjit Singh Minocha	Independent Director	3

4. DIRECTORS' REMUNERATION :

(a) Managing/ Whole Time Directors

The Company has not constituted the Remuneration Committee. The Company has paid the remuneration to the Managing Director as approved by the members of the Company in the General Meeting. Detail of remuneration paid to the Managing Director during the Financial Year 2009-2010 is given below:

Rs.240000/- i.e Rs.20000/- per month has been paid as remuneration.

(b) Non Executive Directors :

Non Executive Directors have not been paid any remuneration during the financial year.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE :

The Shareholders'/Investors' Grievance Committee was constituted to look into the redressal of investors' complaints on various issues. The Members of the Committee are Sh. Harjeet Singh Arora and Sh.D.S.Minocha. The Chairman of the committee is Sh. Harjeet Singh Arora. No complaint of any shareholder is pending with the Company.



PRIME INDUSTRIES LIMITED

6. GENERAL BODY MEETINGS:

The detail of last three Annual General Meetings /EOGM is given below :

Financial Year	General Meeting	Location	Date	Time
2009	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	28.05.2009	10.30 A.M
2009	Extra-Ordinary General Meeting	-Do-	28.02.2009	10.30 A.M
2008	Annual General Meeting	-Do-	30.09.2008	11.30 P.M
2007	Annual General Meeting	-Do-	29.09.2007	03.30 P.M

During the financial year under review, no postal ballot was conducted by the company .

7. DISCLOSURES

During the year, there was no significant transaction with the Directors, management, their relatives etc. that have any potential conflict with the interest of the Company at large.

There has been no instance of the non-compliance by the Company on any matter related to capital market during the last three years.

Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Paragraph No. 9 of the Notes to the Accounts attached with the Financial Statements for the year ended March 31, 2010. The details of the Related Party transactions are placed periodically before and reviewed by the Company's Audit Committee.

No treatment different from accounting standards prescribed by the Institute of Chartered Accountants of India, has been followed while preparing the financial statements. The Guidelines on Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the Company.

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and has not followed the non mandatory requirements.

8. MEANS OF COMMUNICATION

The Company communicates with the shareholders at large through its Annual Report, Publication of financial results and by filing of various reports and returns with the statutory bodies like Stock Exchanges and Registrar of Companies. The quarterly results are published in newspapers.

9. GENERAL INFORMATION FOR SHAREHOLDERS :

ANNUAL GENERAL MEETING

i) 18th Annual General Meeting :

Date : 29.09.2010 (Wednesday)
Time : 10.30 A.M.
Venue : Regd. Office : Village Gobindgarh, Malout Road, Abohar.

ii) Financial : 1st April 2009 to 31st March 2010

Tentative calendar of events for the Financial Year 2010-11

First Quarter Results : August, 2010
Second Quarter Results : November, 2010
Third Quarter Results : February, 2011
Fourth Quarter Results : May, 2011

iii) Dates of Book Closure : : 25.09.2010 to 29.09.2010 (both days inclusive)

iv) Listing :

The securities of the Company are presently listed on the following Stock Exchanges :

1. The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai.
2. The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Calcutta.



PRIME INDUSTRIES LIMITED

v) **Stock Code :**

- 1 The Calcutta Stock Exchange Association Ltd. : 26155
2 The Bombay Stock Exchange Ltd. : 519299

vi) **Market Price Data**

Monthly high and low price of Company's Equity Shares at The Bombay Stock Exchange Limited, (BSE) for the period from 1st April,2009 to 31st March,2010 are stated hereunder.

Monthly high & low quotation of the company's equity share for the year:

MONTH	BSE (HIGH) Rs.00	BSE (LOW) Rs.00
APRIL 2009	No trade	No trade
MAY 2009	4.91	4.91
JUNE 2009	No trade	No trade
JULY 2009	4.67	3.62
AUGUST 2009	4.81	4.18
SEPTEMBER 2009	4.60	4.60
OCTOBER 2009	No trade	No trade
NOVEMBER 2009	4.83	4.47
DECEMBER 2009	4.25	3.68
JANUARY 2010	3.67	3.65
FEBRUARY 2010	4.00	3.47
MARCH 2010	3.63	3.45

vii) **Registrar and Share Transfer Agent :**

Pursuant to the circular issued by the Securities & Exchange Board of India (SEBI) the Company has assigned the physical share transfer work to M/s Skyline Financial Services Ltd. Now the work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt at single point with:

Skyline Financial Services (P)Ltd.

D-153/A, 1st Floor, Okhla Industrial Area

Phase-I, New Delhi-110020

Phones: 011-26812682,83&84

Fax : 011-26812681

e-mail : admin@skylinerta.com

viii) **Share Transfer System :**

All Applications for transfer of shares in physical form are received and processed by the Company's Registrar and Share Transfer Agent i.e Skyline Financial Services (P) Ltd.

ix). **Distribution of Shareholding Pattern of The Company :**

Sr. No.	Category	No. of Shares	% of Shares
1.	Promoters	3126003	39.57%
2.	Corporate Bodies	2408643	30.49%
3.	General Public	1214954	15.38%
4.	NRI	263500	3.34%
5.	Bank/ FIIs	886900	11.23%
6.	Clearing Member	0	0.00%
	Total	<u>7900000</u>	<u>100.00%</u>



PRIME INDUSTRIES LIMITED

x) Break-up of Equity/ Dematerialization of Shares:

During the financial year ended on 31st March, 2010, the Company has not issued any GDRs/ ADRs/ Shares/ Warrants.

As on 31st March 2010	% of the Share Capital dematerialized.
1759200	22.27%

xi) Address for Correspondence :

Head Office : Master Chambers,
19, Feroze Gandhi Market, Ludhiana.
Tel. No. : 0161-2410557-58, Fax No. : 0161-2402963
E-mail : prime_indust@yahoo.com

xii) Compliance Officer :

Presently, Sh. R.K.Singhania, Managing Director of the Company is Compliance Officer of the Company.



PRIME INDUSTRIES LIMITED

CEO CERTIFICATE

Pursuant to Clause 49 (V) of the Listing Agreement of the Stock Exchanges, we hereby certify that:

- a. We have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
 - I. significant changes, if any, in internal control over financial reporting during the year;
 - II. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - III. that no instances of significant fraud have come to our notice.

FOR PRIME INDUSTRIES LIMITED

Sd/-

Place : Ludhiana
Date : 28.08.2010

(R.K. Singhania)
Managing Director

CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

This is to state that the Company had duly adopted a Code of Conduct. After adoption of the Code of Conduct, the same was circulated to all the Board Members and Senior Management Personnel for compliance. It is affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct and have a confirmation in this regard.

FOR PRIME INDUSTRIES LIMITED

Sd/-

Place : Ludhiana
Date : 28.08.2010

(R.K. Singhania)
Managing Director



PRIME INDUSTRIES LIMITED

AUDITORS' CERTIFICATE

Auditor's Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement
To

The Members

Prime Industries Limited

We have examined the compliance of conditions of Corporate Governance by Prime Industries Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 in above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Sukminder Singh & Co.
Chartered Accountants

Place : Ludhiana
Date : 28.08.2010

Sd/-
(Chanchal Singh)
Partner
Membership No. : 90835



PRIME INDUSTRIES LIMITED

AUDITORS REPORT

To
The Members
Prime Industries Limited.
Abohar.

We have audited the attached Balance Sheet of Prime Industries Limited, Malout Road, Abohar as at 31.03.2010 and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditor's Reports) Order 2003 as amended by the companies (Amendment Order 2004, together 'the order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
- 2) Further to our comments in the annexure referred in paragraph (1) above we state that:-
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of such books.
 - iii) The Balance Sheet and Profit and Loss Account, dealt with by this report are in agreement with the books of accounts.
 - iv) In our opinion the Balance Sheet and Profit And Loss Account comply in material aspect with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, in so far as they apply to company.
 - v) Based on representation made by the directors and taken on record by the Board, we report that none of the directors is disqualified as on 31.3.2010 from being appointed as a director in terms of clause (g) of subsection (i) of section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanation given to us, the balance sheet, profit & loss account and cash flow statement read with the other notes, thereon and attached there to give in the prescribed manner, the information required by the Act, & subject to our comments in paragraph 3.1, 3.2 and 3.3 below give respectively a true and fair view in conformity with the accounting principal generally accepted in india :-

- a. In the case of the Balance Sheet, of the State of Affairs of the Company as at 31.03.2010
- b. In the case of Profit and Loss Account, of the Loss for the year ended on that date.
- c. In the case of the Cash flow Statement, of the cash flows for the year ended on that date.
3. 1) Note No.2 of annexure P regarding non-confirmation /non-reconciliation of certain debit/credit balances. Consequential revenue impact, if any is not ascertainable.
3. 2). Note no.3 (a) of annexure P regarding non provision for debtors/Advances amounting to Rs.135.96 lacs against which legal cases have been filed by the Company.
3. 3) we further report that without considering our comments in paragraph 3.1 above and after considering adjustments arising on account of our comments in paragraph 3.2 above the loss after tax would change to Rs. (145.68) lacs as against profit of Rs. 9.72 Lacs as shown in the profit & loss account. Consequently, net current liabilities would change to Rs. 568.01 Lacs as against Rs. 432.05 Lacs and debit balance in profit & loss account would change to Rs. 313.13 Lacs as against Rs. 177.14 Lac as shown in the Balance sheet.

For Sukhminder Singh & Co.
Chartered Accountants

Sd/-
(Chanchal Singh)
Partner

Place : Ludhiana
Dated : 28.08.2010

Membership No. : 90835

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph (1) of our Report of even date)

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the management has physically verified certain fixed assets during the year and no serious discrepancies have been noticed. In our opinion, the frequency of verification of fixed assets is reasonable. To the best of our knowledge, no material discrepancies have been noticed on verification.
- c) The Company has discontinued the manufacturing operations and a substantial part of the Machinery/ Building held for disposal has been sold during the year under review. The Company is a going concern except with respect to manufacturing activities.
2. a) The inventory has been physically verified during the year by the management and in our opinion the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the Company is reasonable and commensurate with the size of company and the nature of its business.
- c) The Company is maintaining proper record of inventory. The discrepancies noticed on verification between the physical inventory and book records were not material and the same have been properly dealt with in the books of accounts.



PRIME INDUSTRIES LIMITED

3. In respect of loans, secured or unsecured, granted or taken by the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - a) The Company has granted loan to associate company amounting to Rs.341.06 Lacs balance at the year end. The maximum outstanding balance during the year Rs.341.06 Lacs. The Company has not accepted any loan during the year.
 - b) In our opinion and according to the information and explanation given to us, the rate of interest wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - c) In respects of loan granted to the Company these are repayable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion, and according to the information and explanation given to us during the course of audit, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5.
 - a) Based upon the audit procedures applied by us and according to the information and explanation given to us, we are of the opinion that the transactions required to be entered into the register maintained under section 301 of the Act, have been so entered.
 - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rupees five lacs or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
6. The Company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
7. In our opinion, the Company has an adequate system of internal audit which is commensurate with the size and nature of its business.
8. As the Company has discontinued the manufacturing operation, maintenance of cost records prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 are not applicable.
9. The Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities wherever applicable. No amount was outstanding for more than six months as on the date of Balance Sheet from the date they become payable.
10. The accumulated losses of the Company at the end of the financial year do not exceed more than 50% of the Net Worth as on 31/03/2010. There is no cash losses of during the current year as compared to cash losses Rs.2.15 lacs in the immediately preceding financial year there is no cash losses.
11. According to the information and explanations given to us and as per books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares debentures and other securities.
13. The Company does not fall within the category of Chit fund/ Nidhi/ Mutual Benefit fund/Society and hence the related reporting requirements are not applicable.
14. The Company is dealing or trading in shares, securities debentures and other investments and maintaining proper records of transactions and contracts and also timely entries have been made therein. Shares, securities debentures and other securities have been held by the Company in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
15. The Company has not given any corporate guarantee for the facilities of bank guarantee taken by the associate company from banks or financial institutions.
16. In our opinion, and according to the information and explanations given to us, there is no term loan raised during the year by the Company where end use has been stipulated by the lender.
17. According to the information and explanation given to us, and as per the books and records examined by us, as on the date of balance sheet, the fund raised by the Company on short term basis have not been applied for long term investments. Long term funds have been partly applied for financing core working capital in consonance with principles of sound financial management.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. During the course of our examination of books and records of the Company carried out in accordance with the generally accepted auditing practices in India we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the management.

For Sukhminder Singh & Co.
Chartered Accountants

Place : Ludhiana
Dated : 28.08.2010

Sd/
(Chanchal Singh)
Partner

Membership No. : 9083f



PRIME INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	ANNEXURES	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SOURCE OF FUNDS			
SHAREHOLDERS FUNDS			
Capital	A	78633500.00	78633500.00
Reserve & Surplus	B	16226096.00	16226096.00
		<u>94859596.00</u>	<u>94859596.00</u>
LOAN FUNDS			
Secured Loans	C	331863.74	833595.02
Deferred Tax liability		1652407.00	2616335.00
TOTAL		<u>96843866.74</u>	<u>98309526.02</u>
Application of Funds			
Fixed Assets			
Gross Block			
Less : Deperciation/Impairment	D	4812881.00	5026157.00
Net Block		<u>16148804.00</u>	<u>17788908.00</u>
INVESTMENT	E	<u>106186008.00</u>	<u>3537500.00</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	F	127500.00	127500.00
Sundry Debtors	G	29638175.86	24053785.21
Cash & Bank Balances	H	560836.01	285279.38
Loans and Advances	I	174966619.90	42463127.75
TOTAL		<u>205293131.77</u>	<u>66929692.34</u>
LESS : CURRENT LIABILITIES & PROVISIONS			
Liabilities	J	248498395.03	8633329.32
Net Current Assets (Liabilites)		(43205263.26)	58296363.02
Profit & Loss Account		17714318.00	18686755.00
TOTAL		<u>96843866.74</u>	<u>98309526.02</u>
NOTES ON ACCOUNTS	P		

This is the Balance Sheet referred to in our report of even date-

For **Sukhminder Singh & Co.**

Chartered Accountants

For and on behalf of the Board

Sd/-
(Chanchal Singh)
Partner
Membership No. 90835

Sd/-
(R.K. Singhania)
Managing Director

Sd/-
(Harjeet S. Arora)
Director

Place : Ludhiana
Date : 28.08.2010



PRIME INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

PARTICULARS	ANNEXURES	FOR THE YEAR ENDED 31.03.2010 (Rs.)	FOR THE YEAR ENDED 31.03.2009 (Rs.)
INCOME			
Operating Income	K	3339791.73	44760687.26
	Total	3339791.73	44760687.26
EXPENDITURE			
Cost of Material	L	-	42210931.28
Employee Cost	M	906848.00	744693.00
Administration & Other Expenses	N	1475929.50	1803920.03
Financial Expenses	O	60221.23	216452.82
Depreciation and Impairment loss		886684.00	1838630.00
	Total	3329682.73	46814627.13
Profit/(Loss) for the year		10109.00	(2053939.87)
Provision for Taxation-Current		1600.00	-
-FBT		-	82000.00
Adjustment for deferred tax		(963928.00)	250500.00
Profit/(Loss) After Taxation		972437.00	(1885439.87)
Add Previous year Balance		(18686755.00)	(16553929.13)
Balance carried over to Balance sheet		(17714318.00)	(18439369.00)
APPROPRIATION			
Adjustment in STT		-	247386.00
Balance carried over to Balance sheet		(17714318.00)	(18686755.00)
NOTES ON ACCOUNTS			
EPS (Basic & Diluted)	P	0.12	(0.24)

This is the Balance Sheet referred to in our report of even date-

For **Sukhminder Singh & Co.**

Chartered Accountants

For and on behalf of the Board

Sd/-
(Chanchal Singh)
Partner
Membership No. 90835

Sd/-
(R.K. Singhania)
Managing Director

Sd/-
(Harjeet S. Arora)
Director

Place : Ludhiana
Date : 28.08.2010



PRIME INDUSTRIES LIMITED

ANNEXURES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
ANNEXURE-A		
SHARE CAPITAL		
AUTHORISED		
80,00,000/- (Previous Year (80,00,000) Equity Share of Rs.10/-	80000000.00	80000000.00
ISSUED SUBSCRIBED AND PAIDUP		
7900000(Previous year 7900000) Equity Share of Rs.10/- each fully paid	79000000.00	79000000.00
Less :Calls unpaid	366500.00	366500.00
TOTAL	78633500.00	78633500.00
ANNEXURE-B		
RESERVE AND SURPLUS		
Capital Reserve	9249500.00	9249500.00
Revaluation Reserve	6976596.00	6976596.00
TOTAL	16226096.00	16226096.00
ANNEXURE-C		
SECURED LOANS		
(Hypothecation of Car)	331863.74	833595.02
TOTAL	331863.74	833595.02
ANNEXURE-D		
FIXED ASSETS		

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As at 01.04.09	Additions During the the Year	Sale/Adjust- ments for	As at 31.03.2010	As at 01.04.2009	For the year	Adjust- ments for the Year	Impairment Loss	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	9676000.00	0.00		9676000.00	0.00	0.00	0.00	0.00	9676000.00	9676000.00	
**Building held for disposal	1925100.00	0.00		1925100.00	0.00	0.00	0.00	91255.00	91255.00	1833845.00	1925100.00
**Plant & Machinery	2632100.00	0.00	782370.00	1849730.00	0.00	0.00	0.00	179973.00	179973.00	1669757.00	2632100.00
Furniture & Fixture	679561.00	0.00		679561.00	437430.00	43016.00	0.00	0.00	480446.00	199115.00	242131.00
Vehicles	5220087.00	0.00	0.00	5220087.00	2194469.00	495908.00	0.00	0.00	2690377.00	2529710.00	3025618.00
Office Equipments	1582257.00	28950.00		1611207.00	1294298.00	76532.00	0.00	0.00	1370830.00	240377.00	287959.00
Total	21715105.00	28950.00	782370.00	20961685.00	3926197.00	615456.00	0.00	271228.00	4812881.00	16148804.00	17788908.00
	27334399.00	30806.00	4550140.00	22815065.00	377225.00	738670.00	0.00	584698.00	1099960.00	5026157.00	

** Net realisable value based on management estimate.



PRIME INDUSTRIES LIMITED

PARTICULARS	31.03.2010 (Rs.)	AS 31.03.2009 (Rs.)
ANNEXURE - E		
INVESTMENT		
QUOTED		
2600 (Prev. Year 63,500)	89073.00	657500
Equity Shares of Rs.10/- each of Master Trust Ltd.		
1500000 equity of SEL Mfg Ltd. of Rs. 10 each	105000000.00	0
156705 Shares of Creative Intra Ltd. of Rs. 10 each	1096935.00	0
Market value of quoted shares is Rs. 955.06 lacs (Previous year Rs.14.41 lacs)		
UNQUOTED		
Nil Shares of Master Portfolio Services Ltd. (Previous year 20,000) of Rs.10/- each	-	200000
Nil warrant of Master Trust Ltd (Previous Year 200000)	-	268000
TOTAL	106186008.00	3537500
ANNEXURE - F		
INVENTORIES		
Stores & spares (At cost or realisable value whichever is less, As taken valued and certified by the Management)	127500.00	127500
TOTAL	127500.00	127500
ANNEXURE - G		
SUNDRY DEBOTRS (UNSECURED)		
Considered goods		
Over six month old	13446135.21	1941545
Others	16192040.65	463833
TOTAL	29638175.86	2405378
ANNEXURE - H		
CASH AND BANK BALANCE		
Cash in hand	397390.05	16501
Balance with Scheduled Banks in Current accounts	163445.96	1202
TOTAL	560836.01	28527



PRIME INDUSTRIES LIMITED

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
ANNEXURE - I		
LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	174203004.90	41291669.75
Security Deposits	128540.00	130540.00
Tax Deducted at Source	635075.00	1040918.00
TOTAL	<u>174966619.90</u>	<u>42463127.75</u>
ANNEXURE - J		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	308957.94	145322.94
Other Liabilities	248189437.09	8406006.38
Provisions for FBT	0.00	82000.00
TOTAL	<u>248498395.03</u>	<u>8633329.32</u>
ANNEXURE - K		
OPERATING & OTHER INCOME		
Sale, Services & Others	3255765.73	43467702.26
Interest Income	84026.00	1292985.00
TOTAL	<u>333971.73</u>	<u>44760687.26</u>
ANNEXURE - L		
COST OF MATERIAL		
Opening Stock		
Oil in Process	-	-
Purchases	-	42081888.28
NET COST	<u>-</u>	<u>42081888.28</u>
Add : Decrease in value of Inventory	-	129043.00
TOTAL	<u>-</u>	<u>42210931.28</u>



PRIME INDUSTRIES LIMITED

ANNEXURES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	FOR THE YEAR ENDED 31.03.2010 (Rs.)	FOR THE YEAR ENDED 31.03.2009 (Rs.)
ANNEXURE- M		
EMPLOYEE COST		
Salary and Allowances (Including Directors Remuneration Rs. 240000 Previous Year Rs. 240000)	714587.00	648443.00
Staff Welfare Exp.	192261.00	96250.00
TOTAL	906848.00	744693.00
ANNEXURE - N		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rate & Taxes	40106.00	7950.00
Printing & Stationery	46790.00	24111.00
Travelling & Conveyance (Including Director- Travelling Rs.142734/- Previous Year Rs.177816/-	421315.00	205610.00
Legal & Professional Charges	162885.00	641936.50
Postage & Telegram, Telephone & Telex	130542.00	159805.00
Insurance Charges	40764.00	51632.00
Vehicle Maintenance	161626.00	179040.00
Other general Exp (Including AGM Exp etc)	459751.50	522611.53
Audit Fees	12150.00	11224.00
TOTAL	1475929.50	1803920.03
ANNEXURE- O		
FINANCIAL EXPENSES		
INTEREST		
on Car loan/other loans	42918.72	200073.16
Bank Charges	17302.51	16379.66
TOTAL	60221.23	216452.82



PRIME INDUSTRIES LIMITED

ANNEXURE - P

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements are prepared under historical cost convention with applicable accounting standards and relevant presentation requirement of the companies Act, 1956 and on the basis of going concern except in respect to manufacturing activities which have been discontinued.

b) FIXED ASSETS

I) Fixed assets other than plant and machinery and building are stated at cost of acquisition including taxes, duties and other direct and indirect expenses incidental to acquisition and installation / construction and net of Modvate Credit and adjusted by revaluation of land at current market value as certified by the approved valuer as on 31.03.2003. The plant and machinery and building are held for disposable and are stated at realizable value.

II) The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indications of impairment thereof, based on external /internal factors. Impairment loss has been recognized and charged to profit & loss account.

III) Depreciation on fixed assets other than Plant & Machinery and Building is provided on straight line method in the manner and at the rates specified in schedule XIV/No.GSR/756(E) Dated 16 Dec.1992. In respect of plant and machinery & building held for disposal no depreciation is provided and only the impairment loss is provided.

c) INVENTORIES

The basis of determining cost of inventories

Stores & Spares : At cost or realizable value whichever is lower

d) INVESTMENTS

Investments are stated at the cost of acquisition.

e) PROVIDENT FUND

The provisions of provident fund Act is not applicable to the company.

f) GRATUITY

Provision of Gratuity is made & charged to Profit & Loss account.

g) REVENUE RECOGNITION

The company follows the mercantile system of accounting and recognized profit and Loss account on that basis.

h) BORROWING COST

All borrowing costs are charged to revenue.

(2) Balances of sundry debtors , loans & advances and creditors are subject to confirmation and reconciliation if any.

3) CONTINGENT LIABILITIES

a) The Company has filed legal cases against debtors/advances of Rs.135.96 lacs (previous year Rs. 135.96 lacs) for recovery of outstanding amounts. No provision there against has been considered necessary, since in the opinion of the management in view of on going legal cases, these debts are recoverable.

b) For the accounting year 2002-03, Excise & Taxation Department Patiala has issued a show notice to review the Sales Tax Assessment of the Company. The Company has made the re-presentation and the same is pending before the Additional Commissioner cum Revision Authority, Patiala, Punjab.

4) In the opinion of the Board, all the current assets, Loans & advances have been the value on realization in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise.

5) Sales, services and other income include profit on sale of fixed assets Rs. Nil (previous year Rs. 1398.00) Profit on Derivatives Rs 3255765.00 (Previous year Rs. 16463.00) .



PRIME INDUSTRIES LIMITED

6) Segment Reporting: During the year the Company had operated only in one business segment viz. Trading of Securities. Hence in the opinion of the management there is no separate reportable segment as required under Accounting Standard 17 segment reporting issued by Institute of Chartered accountants of India.

7) Deferred Tax Liabilities as on 31/03/2010 is as follows:-

Particulars		Amount (Rs.)	Amount (Rs.)
Deferred Tax Liabilities as on	31/03/2009	2616335.00	2866835.00
- for the year ended	31/03/2010	-963928.00	-250500.00
Deferred Tax Liability as on	31/03/2010	1652407.00	2616335.00

8) Related Party Disclosures

Related Party Disclosures as required by AS-18. Related Party Disclosures are given below :

**Associates/ Enterprises owned or
Significantly influenced by key
Management Persons or their Relatives**

Key Management Personal

Master Trust Ltd.
Master Capital Services Ltd.
Master Shares & stock Brokers Ltd.
MTL shares & stock Brokers Ltd.
MTL shares & stock Brokers Ltd.
Master Commodity Services Ltd.
Nature of Transactions

Mr. R. K . Singhania Managing Director
Mr. Harjeet Singh Arora Director

	Current Year	Previous Year
Sales	9662746.93	76602756.89
Purchase	6570044.25	76629114.89
Interest Income	84026.00	92985.00
Remuneration	240000.00	240000.00
Loans Given	341.06 Lacs	162.24 Lacs
Balance outstanding at the end of year receivable	21.58 Lacs	20.14 Lacs

**A) PARTICULARS OF LICENSED/REGISTERED/INSTALLED ANNUAL
CAPACITIES/ PRODUCTION**

Since manufacturing activities have been discontinued this information is not applicable.

B) PARTICULARS OF SALES

Class of Goods	Unit	For the Year Ended 31.03.2010		For the Year Ended 31.03.2009	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)

C) OPENING AND CLOSING STOCKS OF GOODS PRODUCED AND TRADED IN

Class of goods	Unit	As at 31.03.2010		As at 31.03.2009	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Processed Oil/ Vanaspati	Mts.	NIL	NIL	NIL	NIL



PRIME INDUSTRIES LIMITED

D) TRADING GOODS PURCHASED

Class of Goods	Unit	For the Year Ended 31.03.2010		For the Year Ended 31.03.2009	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Chemicals	Mts.	-	-	1260.530	42081888.00

E) OTHER ADDITIONAL INFORMATION

Remuneration of Managing Director

Name	Position	Salary	Other Perquisites	(Rupees)
				Total
Sh. R.K.Singhania	Managing Director	180000	60000	240000

For **Sukhminder Singh & Co.**
Chartered Accountants

Sd/-
(Chanchal Singh)
Partner
Membership No. 90835

For and on behalf of the Board

Sd/-
(R.K. Singhania)
Managing Director

Sd/-
(Harjeet S. Arora)
Director

Place : Ludhiana
Date : 28.08.2010



PRIME INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	31.03.2010	31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (loss) before tax and extraordinary items	(0.10)	(20.54)
Adjustments for		
Depreciation	8.86	18.38
Interest/Dividends		
Misc. Exp. Written off		
Profit on Sale of Fixed Assets		
Operating profit before Working Capital changes		(2.16)
Adjustment for		
Trade And other Receivables	(56.73)	(60.03)
Inventories	-	1.29
Trade Payables	1.08	43.34
Cash Generated from operation	(46.89)	(17.56)
Interest paid	-	-
Direct Tax Paid		
- Current	0.02	0.82
Cash flow before Extraordinary items		
Extra ordinary items	-	2.47
Net cash from operating activities	(46.91)	(20.85)
B. CASH FROM INVESTING ACTIVITIES		
Purchase/Sale of fixed Assets	7.54	39.35
Purchase of Investments	(1026.48)	26.80
Sale of Investments	-	-
Interest received	-	-
Dividend received	-	-
Net Cash Used in Investing Activities	(1018.94)	12.55
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share Capital (Call money)		
Proceeds from short term borrowing	1073.63	-
Repayments of short term borrowing	(5.02)	(4.95)
Dividend paid	-	-
NET CASH USED IN FINANCING ACTIVITIES	1068.61	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	2.76	(13.25)
Cash and Cash Equivalents as at 31.03.09 (Opening Balance)	2.85	16.1
Cash and Cash Equivalents as at 31.03.10 (Closing Balance)	5.61	2.8

NOTE : Figures in Brackets represent deduction and outflows

For **Sukhminder Singh & Co.**

Chartered Accountants

For and on behalf of the Board

Sd/-
(Chanchal Singh)
Partner

Sd/-
(R.K. Singhania)
Managing Director

Sd/-
(Harjeet S. Arora)
Director

Membership No. 90835

Place : Ludhiana

Date : 28.08.2010

AUDITORS CERTIFICATE

We have verified the attached cash flow statement of **PRIME INDUSTRIES LIMITED** derived from the audited financial statements and the books and records maintained by the company for the year ended 31st March, 2010 and found the same to be in accordance therewith and requirements of Clause 32 of the Listing Agreements with stock exchanges.

For **Sukhminder Singh**
Chartered Accountant

Date : 28.08.2010

Place: LUDHIANA

(Chanchal Singh)



PRIME INDUSTRIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details																																		
Registration No.										1	2	6	6	2	State Code				1	6														
Balance Sheet Date										3	1	-	0	3	-	2	0	1	0															
										Date			Month			Year																		
II. Capital Raised during the year (Amount in Rs. Thousand)																																		
Public Issue					Right Issue					Bonus Issue					Private Placement																			
N I L					N I L					N I L					N I L																			
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)																																		
Total Liabilities										9					6					8					4					3				
Total Assets										9					6					8					4					3				
SOURCE OF FUNDS																																		
Paid-up-Capital					Reserves & Surplus					Secured Loans					Unsecured Loans																			
7					8					6					3					3					3									
										Deferred Liability																								
										1					6					5					2									
APPLICATION OF FUNDS																																		
Net Fixed Assets					Investments					Net Current Liabilities					Misc. Expenditure																			
1					6					1					4					8														
					1					0					6					1					8					6				
										Accumulated Losses																								
										1					7					7					1					4				
IV. Performance of Company (Amount in Rs. Thousand)																																		
Turnover					Total Expenditure					Profit / Loss Before Tax					Profit / Loss After Tax																			
3					3					3					3					9														
					3					3					2					9														
										Earning Per Share in Rs.					Dividend Rate %																			
										0					1					2														
										N					I					L														
V. Generic Names of Three Principal Products/Services of Company (As per Monetary Terms)																																		
Item Code No.		1	5	1	6	2	0																											
Product Description		V	A	N	A	S	P	A	T	I																								
Item Code No.		1	5	1	4																													
Product Description		R	E	F	I	N	E	D	O	I	L																							
Item Code No.		2	8	0	4	4	0	0	0																									
Product Description		O	X	Y	G	E	N																											